

TAXICAB AND LIVERY VEHICLE REGULATION

Introduction

- Connecticut state government has regulated certain aspects of the taxicab and livery vehicle industry since the 1920s and 30s.
- Regulation of taxicabs and livery vehicles involves five state agencies: the Departments of Transportation, Motor Vehicles, Social Services, Public Safety, and Consumer Protection.
- Connecticut is virtually unique in that it regulates taxicabs on a statewide level; most often taxis are regulated locally by municipalities.
- In Connecticut, there are currently 963 authorized taxicabs and 1,651 authorized livery vehicles.
- Taxicabs are motor vehicles required to have meters and be available to pick up any passenger that hails or calls the taxicab company for service.
- Liveries are also motor vehicles; however, they do not have meters, and provide passengers with transportation that has been arranged in advance.
- Nonemergency medical transportation for Medicaid clients provided and funded through the Department of Social Services is a specific subtype of livery service.

Section I - Taxis

- Anyone interested in operating a taxicab service is required to obtain a certificate of public convenience and necessity from the Department of Transportation (DOT).
- The taxi certificate authorizes an individual or business to operate a specified number of taxicabs to provide taxi services in specifically identified towns (i.e., territory) in Connecticut.
- At a public hearing, a certificate applicant must prove the need for the proposed service and the applicant's suitability to operate a taxi company based on the applicant's background, financial resources, and availability of qualified drivers and taxicabs to operate.
- There are approximately 100 active taxicab certificates associated with a total of approximately 963 taxicabs.
 - Approximately two-thirds of certificate holders have one to three taxicabs.
 - The largest company appears to have over 160 taxicabs.

Key Points

- Taxicab service is considered a public service, similar to bus and train service.
 - Taxicabs operate around the clock (unless otherwise approved by the commissioner).
 - They are identified as taxicabs by their “T” vehicle plates, domes, and meters.
 - While most towns and cities have authorized taxicab service, there does not appear to be any taxicab service in 26 towns in Connecticut.
- In order to drive a taxi, an individual must, at a minimum, have a traditional, “base” license with an “F” public passenger endorsement from the Department of Motor Vehicles (DMV).
- Taxicab fares are regulated through rates approved by DOT for trips under 15 miles and by tariffs for trips of 15 miles or more.
 - Each taxicab is required to have a functioning meter, installed and sealed as authorized by the Connecticut Department of Consumer Protection Weights and Measures Unit.
- Taxicab drivers are typically independent contractors rather than employees of the taxicab company.
 - As independent contractors, drivers often pay certificate holders anywhere from \$250 to \$800 per week, depending on vehicle lease and related costs.
- The DMV regulates taxicab vehicle inspection and registration.
 - Initial registration inspections are conducted at DMV locations.
 - Registration re-inspections occur every two years and are performed by dealers and repairers licensed by DMV.
- During discretionary taxicab vehicle inspections conducted by DOT from 2003 to 2006, approximately 30 percent of the inspected taxicabs failed due to major issues.

Section II – Livery Service

- Anyone interested in operating a livery service in Connecticut is required to obtain a permit of public need and convenience from the Department of Transportation.
- Under intrastate livery service law, any permitted intrastate livery vehicle is allowed to travel to any town within Connecticut.

Key Points

- At a public hearing, permit applicants must demonstrate that the public's convenience and necessity will be improved now or in the future by operation of the proposed intrastate livery service.
 - Permit applicants must also demonstrate their suitability to run the livery company based on background and financial resources.
- There are approximately 300 active livery permits associated with a total of approximately 1,651 livery vehicles.
 - Slightly less than half of the permit holders have nine or fewer livery vehicles; one in five permit holders has a single livery vehicle.
 - The largest company appears to have over 100 livery vehicles.
- In order to drive a livery vehicle, an individual must, at a minimum, have a traditional, "base" license with an "F" public passenger endorsement from the DMV.
- Unlike "on demand" taxicab services, livery services are arranged in advance.
- Livery rates are regulated through tariffs as approved by DOT.
 - Livery rates are usually 20-40 percent higher than taxicab rates.
- While the vehicle models and types might be similar to those of taxicabs, livery vehicles are identified as such by their absence of domes and meters, and the presence of "L" plates.
- Livery vehicles with seating capacity for eight or more passengers are inspected by DOT.
 - Initial inspections are conducted at the livery company headquarters; no re-inspections occur.
 - Livery vehicles with less seating capacity are not inspected.
- Livery drivers are usually employees of the company.

Section III – Nonemergency Medical Transport

- Nonemergency medical transportation is a service provided to eligible Medicaid recipients who need access to medical care or services and have no other means of transportation.
- Medical livery, a specific subtype of livery services, is one means of nonemergency medical transportation.

Key Points

- Since 1998, the Department of Social Services has contracted with brokers to arrange nonemergency medical transportation with medical livery companies.
- The actual medical livery companies that provide medical livery service are controlled by the broker.
 - Although the livery company must still secure a specific permit from DOT for this type of governmental service, the medical livery provider can only apply for such a permit with the backing or support of the broker.
- Brokers receive DSS payment on a per member per month basis.
 - Per member per month rates are estimated to range anywhere from \$13 to over \$20 per member per month.
- During a 12-month period within 2004-2006, approximately 559,000 nonemergency medical transportation trips occurred annually in medical livery vehicles (and some taxicabs).
- Medical livery vehicle drivers have the same “F” public passenger endorsement on their base driver’s license as do taxicab and general livery drivers.
- Medical livery drivers are employees of the medical livery company.
 - They are usually paid an hourly rate, typically \$8-10 per hour.
- Vehicles approved for medical livery are not to be used for any other type of general livery.
 - General livery vehicles are not to be used for medical transport.
 - However, there is no distinction in plates for general livery vehicles and governmental, medical livery vehicles; thus, infractions on use cannot readily be assessed or enforced.

Section IV- Areas for Further Review

- Market entry barriers may include difficulty completing the application process, shortage of agency staff, and unreasonably long time to complete the process.
- Concerns have been expressed about the certificate and permit public hearings, including inconsistency in hearing process, limited pool of staff attorneys to adjudicate at public hearings, and unclear definition of convenience and necessity.
- Issues relating to operating businesses in these industries include taxicab companies operating as livery companies, livery companies operating as taxicab companies, and medical livery vehicles operating as general livery vehicles.

Key Points

- Concern was also raised about interstate livery companies operating as intrastate livery companies and vice versa.
- It has also been reported that taxicab drivers are consistently operating vehicles beyond the maximum 12 hours within a 24-hour period.
- There are issues regarding the charges to passengers including taxicab rates and tariffs not keeping up with rising expenses, taxicab drivers charging less than the approved rates and tariffs, and medical livery companies not receiving sufficient levels of payment from the brokers hired by DSS.
- General safety and service standard issues include concerns about the poor condition of vehicles, infrequent taxicab vehicle inspections, absence of inspections for some livery vehicles, the challenge in providing passengers with child car safety seats and room for luggage, and possible refusals to provide taxicab service to some customers.
- Broader issues include the appropriate level of regulation for taxi and livery services and the capacity of the state to enforce existing regulatory requirements, and the challenges in having multiple agencies rather than one agency overseeing regulation of the taxi and livery industry.